ABSTRACT OF THE DISCLOSURE

[32] A system for tracking the position of an instrument relative to an area of interest. The system includes an instrument and an instrument guide mounted to the instrument. The instrument guide carries a first localizer proximate the instrument. The first localizer is movable relative to the instrument. The system also includes a fixator configured to be attached to the area of interest. The fixator carries a second localizer proximate the area of interest. The second localizer is movable relative to the area of interest. The first and second localizers are in communication such that the position of one of the first and second localizers is known relative to the position of the other of the first and second localizers.